

**MEETING OF THE DODGE COUNTY FINANCE COMMITTEE**

July 10, 2018, 8:00 A.M.

FIRST FLOOR AUDITORIUM – ROOMS H and I

DODGE COUNTY ADMINISTRATION BUILDING, JUNEAU WI 53039

The meeting was called to order by Dodge County Finance Committee Chairman, Dave Frohling, at 8:00 a.m.

Members present from the Finance Committee: Benter, Caine, Frohling, Guckenberger, and Schaefer.

Member(s) absent from the Finance Committee: None.

Others present: Finance Director Julie Kolp; County Administrator Jim Mielke; Deputy County Clerk Christine Kjornes; Dodge County Human Services and Health Department Director Becky Bell; Human Services and Health Department Fiscal Support Services Division Manager Monica Hooper; Dodge County Treasurer Patti Hilker; Dodge County Clerk Karen Gibson; Dodge County Corporation Counsel Kimberly Nass; Clearview Director Jane Hooper; Clearview Director of Financial Services Bill Wiley; ERP Project Director Ross Winklbauer; Johnson and Block Company, Inc. Auditor Kevin Krynski; Johnson and Block Company, Inc. Auditor Brett Hofmeister; Johnson and Block Company, Inc. Auditor Tara Bast; County Board Chairman Russell Kottke; County Board Supervisor Larry Bischoff; County Board Supervisor Donna Maly; County Board Supervisor Kira Sheahan-Malloy; County Board Supervisor Jeff Berres; County Board Supervisor Dennis Schmidt; County Board Supervisor Joseph Marsik; County Board Supervisor Jeffrey Schmitt; and County Board Supervisor Eugene Wurtz.

The following Non-Committee Member County Board Supervisors requested payment for attending the meeting: Larry Bischoff; Dennis Schmidt; Joseph Marsik; Jeff Berres; and Eugene Wurtz.

There was no public comment.

Motion by Benter, seconded by Caine to approve the June 12, 2018 minutes, as presented.  
Motion carried.

ERP Project Director Ross Winklbauer provided an update on the ERP Project. Mr. Winklbauer reviewed the Enterprise Resource Management (ERP) Project Publication, Volume #24, June 29, 2018 that was included in the Finance Committee packet materials, and reported the following:

- The Chart of Accounts error report has been received and will be reviewed with Tyler Munis;
- A different Chart of Accounts Segment will be reviewed each month;
- Fund consists of three (3) digits;
- Policy and procedures are currently being compiled;
- Potential policy changes are being discussed and reviewed, and once documented, the potential policy changes will be presented to the Finance Committee for approval;
- Limited payroll is being discussed the week of July 9, 2018.

Johnson Block and Company, Inc. Auditors Kevin Krynski, Brett Hofmeister, and Tara Bast, appeared before the Committee to present Financial Statements with Independent Auditor's

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Report for the years ended December 2017 and 2016. Johnson Block and Company, Inc. Auditor Kevin Krynski reported the following on the content of the audit report:

- The role of Johnson Block and Company Inc. is to provide opinion on financial statements;
- Funds include the General Fund, Debt Service, Clearview, and Health and Human Services;
- All funds are Governmental Funds;
- With the new ERP System, Clearview will be changed to a Business Entity;
- The Notes to the Financial Statements includes the Summary of Significant Accounting Policies, and Footnotes;
- Required Supplementary Information includes Management Discussion and Analysis; Budget to Actual Comparisons; and the Pension Plan Schedules;
- Clearview full accrual statements and statistical tables are also included in the Audit Report;
- No modifications were made by Johnson and Block Company Inc. on the financial statements;
- No adjustments on journal entries were made by Johnson and Block Company Inc., other than Dodge County prepared entries.

Auditor Brett Hofmeister reported that the General Fund total fund balance at the end of 2017 was about \$29.7 million. Other General Fund highlights for 2017 included:

- Total Revenues increased \$1.2 million for a year-end balance of \$58.7 million;
- Total Expenses increased \$2.1 million for a year-end balance of \$39.6 million; there was an increase in public safety and payroll;
- Total Transfers In increased \$885,000 for a year-end balance of \$1.7 million; unused levy money due to Human Services and Health Department having a good year;
- Total Transfers Out increased \$618,000 for a year-end balance of \$20.2 million; General Fund Transfers to other funds;
- Debt Service had a year-end balance of zero, which is consistent with previous years;
- Total Principle and Interest Payments decreased \$67,000 for a year-end balance of \$3.88 million;
- Total outstanding GO debt at year-end was \$30,575,000;
- Margin of indebtedness is \$288,213,315, about 10% of 2017 capacity.

Mr. Hofmeister provided highlights for Health and Human Services fund as follows:

- Deficit fund had a year-end balance of approximately \$65,000, resulting from accrued compensated absences;
- Total Revenues increased \$417,000 for a year-end balance of \$13.9 million;
- Total Expenses decreased \$536,000 for a year-end balance of \$21.6 million;
- Operating Transfers In remained consistent at \$9.2 million;
- Operating Transfers Out increased \$759,000 for a year-end balance of \$1.4 million; better year for Human Services and Health Department so more was transferred back to the General Fund.

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Mr. Hofmeister provided highlights for Highway fund as follows:

- Fund balance increased \$785,000 for a year-end balance of \$4.9 million; due to project savings and increased revenues;
- Total Revenues increased \$899,000 for a year-end balance of \$8.8 million;
- Total Expenses decreased \$2.0 million for year-end balance of \$15.9 million; capital costs decreased due to completion of Neosho Highway Shop project;
- Operating Transfers In increased \$682,000 for year-end balance of \$8.04 million;
- Operating Transfers Out remained consistent at \$199,000.

Mr. Hofmeister provided highlights for Clearview fund as follows:

- Total fund balance decreased approximately \$323,000 for a year-end balance of approximately \$2.9 million;
- Total fund balance is approximately 11% of expenditures which is compliant with the fund balance policy;
- Total Revenues increased \$583,000 for a year-end balance of \$26.3 million;
- Total Expenses increased \$445,000 for a year-end balance of \$25.6 million;
- Operating Transfers In increased \$34,000 for a year-end balance of \$164,000;
- Operating Transfers Out increased \$61,000 for a year-end balance of \$1.2 million;
- Cash decreased approximately \$604,000; \$69,000 increase in receivables.

Mr. Hofmeister reviewed graphs depicting a five-year history of governmental revenues and expenses. Mr. Hofmeister reported the following:

- Taxes and charges for services by the Highway Department, the Human Services and Health Department, and Clearview, contribute to the majority of governmental revenues;
- Intergovernmental revenues includes state, federal, and general aid received by Dodge County;
- Health and Human Services, and Clearview have the largest amounts of expenses.

Mr. Hofmeister reported the following regarding the financial stability of Dodge County:

- Financial stability of Dodge County was good as of December 31, 2017;
- The General Fund had an increase of \$664,000;
- Unassigned fund balance had a year-end balance of approximately \$15.05 million;
- Non-spendable fund balance decreased \$759,000 due to the repayment of the General Fund borrowing for the Neosho Highway Shop project;

Mr. Hofmeister reported that the general fund balance consists of the following:

- Nonspendable – the least liquid; includes delinquent taxes, money due from other funds, and Prepaids and Inventories;
- Restricted – has specific expenditure criteria, such as grants;
- Committed – Self Insurance;
- Assigned – can delegate monies to other bodies depending on policy; includes Sales Tax, Sheriff and Jail, Information Technology and next year's budget;

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• Unassigned – most liquid; approximately 25% of 2017 actual expenses and transfers.  
Mr. Hofmeister concluded the Clearview Full Accrual:

- Decrease in net position of \$531,136;
- The full accrual statement includes fixed assets and related depreciation;
- Long-term debt and sales tax for debt service recognized.

Auditor Tara Bast reported that the Human Services and Health Department has followed through with documenting policies and procedures, reconciling accounts, and Johnson and Block Company Inc. is continuing to work with Dodge County on fraud risk assessment.

Ms. Bast provided highlights for Human Services and Health Department:

- The Finance Department assisted the Human Services and Health Department with the development and implementation of policies and procedures;
- Netsmart is being utilized for client billings, and monthly closing and reconciling processes are in place;
- Method in place to estimate an allowance for uncollectible accounts;
- Better tracking and reconciling of State CARS reports;
- Largest expenditure is personnel costs - 45% of total expenditures;
- Wages were \$140,000 under budget;
- Health Insurance and other benefits were \$96,000 under budget;
- Expenditures for contracted services is the second largest expenditure – 38% of total expenditures;
- Income (Loss) Before Transfers - \$7,651,500;
- Initial Operating Transfer - \$9,212,900 – less than budgeted;
- Returned to General Fund - \$1,443,400;

Mr. Krynski provided County-wide take aways:

- Good follow-up by Dodge County on the documentation and implementation of policies and procedures;
- Monitor Clearview cashflow – a lot of receivables collected over months;
- Implementation of new accounting system in the year 2019 – awareness of unexpected surprises.

Supervisor Frohling reported that there is no Resolution regarding the Land Purchase from the Highway Committee.

A Resolution Closing the Dodge County Law Enforcement Center – Pod J. The Resolution was presented to the Finance Committee for its review and approval of the Fiscal Note only. The Fiscal Note sets forth a Budget Impact in the amount of \$0.00 (zero). Supervisor Guckenberger suggested that the Sheriff's Office provide three (3) budget scenarios: 1. Pod J closed; 2. No ICE inmates; 3. Normal budget. County Administrator Jim Mielke reported that there will be ongoing discussions with the Sheriff on the 2019 Sheriff's Office Budget. It was a consensus of the Committee to approve the Resolution, authorize and direct the Finance Committee's Chairman to sign the Fiscal Note, and forward the Resolution to the County Clerk.

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The Committee continued with a discussion on the Resolution Opposing an Addition to the Dodge County Detention Facility. The Resolution was presented to the Finance Committee for its review. It was a consensus of the Committee to oppose an addition to the Dodge County Detention Facility, and direct Ms. Kolp to draft a memo, that will be included in the County Board packet materials, along with the Resolution regarding Closing the Dodge County Law Enforcement Center – Pod J. Ms. Kolp will draft the memo, and the memo will include the following language that was included on the Resolution Closing the Dodge County Law Enforcement Center – Pod J:

- The Dodge County Building Committee has studied Pod J, its current utilization, future maintenance costs, mechanical systems, and security needs of the physical structure and infrastructure; and,
- As a result of these studies and analyses, the Building Committee has formed the considered conclusion that Pod J has exceeded its useful life and the upkeep and maintenance costs far outweigh the benefits to keeping the facility open; and,
- The Building Committee recommends a determination that Pod J has exceeded its useful life, the physical structure will not allow for future renovations, the mechanical infrastructure is not worthy of upgrades, and the long-term operational costs will substantially outweigh the benefits of maintaining the structure; and,
- The Finance Committee unanimously agrees with the concept of closing Pod J.

Ms. Monica Hooper reported on Client Billing and Collection. Ms. Monica Hooper reported the following:

- May 2018 billing run has been completed, and the June 2018 billing run will begin the week of July 9, 2018;
- Reconfiguration discussed with the Joxel Group;
- The Joxel Group will be onsite July 16, 2018, and the Human Services and Health Department will learn about user accept;
- Homework assigned to Dodge County by the Joxel Group was to test the system, and the Joxle Group will be back onsite at the end of July to discuss the results of testing.

Ms. Kolp reported that she has no new information regarding the Internal Revenue Service (IRS) penalty.

Dodge County Treasurer Patti Hilker provided an oral update on the US Bank implementation. Ms. Hilker reported the following:

- Web page is up, and in use;
- Department Heads have been contacted to determine users;
- General Checking Account is up, but not in use yet – implementation date is August 20, 2018;
- Routing account numbers need to be changed;
- Supplies need to be delivered;
- In process of working on the Land Resources and Parks Department software to process park reservations online;

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- ACH wire transfers have been implemented, and ready for use;
- In the process of building templates;
- Farmers and Merchant Bank account has been set up;
- Dodge County Clerk of Courts will provide cash deposits to Horicon State Bank;
- Sweep Account will be set up in October 2018;
- Payroll files to be tested.

Mr. Mielke provided an oral update regarding the proposed Health Insurance Consortium. Mr. Mielke asked the Finance Committee for their availability for a joint Finance Committee and Human Resources and Labor Negotiations Committee meeting on July 23, 2018, at 9:00 a.m., to set perimeters for the 2019 compensation plan adjustments, and to discuss the Quartz and Dean health insurance proposals. Mr. Mielke reported that the state plan rates should be available by early September 2018, and there are two (2) plan designs offered through the Health Insurance Consortium.

Mr. Mielke provided an oral update to the Committee regarding the Capital Improvement Plan (CIP). Mr. Mielke distributed to the Committee a document entitled *DRAFT – JULY 9, 2018, 2019-2023 CAPITAL IMPROVEMENT PLAN*. Mr. Mielke reported that he has made no adjustments on the CIP, and Exhibit A is included with the CIP to show the 2019 Proposed Highway Equipment Purchases. Mr. Mielke further reported that the CIP will be a topic for discussion on the August 2018 and September 2018 Finance Committee agendas.

There was no discussion on the Statement of the Dodge County Treasurer.

Ms. Hilker distributed to the Committee a document entitled *Dodge County, Wisconsin, County Investments*. Ms. Hilker reported she is doing small investments with Partners Bank.

There was no discussion on the County Sales and Use Tax Revenue Report.

The Intra-Department Fund Transfer Requests and Unbudgeted/Excess Revenue Appropriation Requests are as follows:

- Watershed Protection Grant – UW Extension;
- Communicable Disease Control and Prevention Grant – Human Services and Health Department;
- Cell Phone – County Clerk;
- Robot Burner and Redaction Computer – Sheriff's Office;
- Car Seat Grant – Human Services and Health Department;
- Switch Stack – Human Services and Health Department;
- Office Furnishings – Human Services and Health Department;
- Mendota – Human Services and Health Department.

Motion by Guckenberger, seconded by Benter to approve the Intra-Department Fund Transfer Requests and Unbudgeted/Excess Revenue Appropriation Requests. Motion carried.

There was no discussion on the Dodge County Vouchers \$10,000 or More Report.

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A special joint meeting with the Human Resources and Labor Negotiations Committee is scheduled for Monday, July 23, 2018, at 9:00 a.m., in the Auditorium, located on the first floor of the Administration Building.

The next regular meeting is scheduled for Tuesday, August 14, 2018, at 8:00 a.m., in the Auditorium, located on the first floor of the Administration Building.

With no other business on the agenda, Chairman Frohling declared the meeting adjourned at 9:45 a.m.



Ed Benter,  
Secretary

**Disclaimer: The above minutes may be approved, amended or corrected at the next committee meeting.**